



DEPARTMENT OF COMMERCE

Billing Code 3510-33-P

Bureau of Industry and Security

[Docket No. 121003513-251-01]

**Potential Market Impact of the Proposed Fiscal Year 2014 Annual Materials Plan;
National Defense Stockpile Market Impact Committee Request for Public Comments**

AGENCY: Bureau of Industry and Security, Commerce.

ACTION: Notice of inquiry.

SUMMARY: The purpose of this notice is to advise the public that the National Defense Stockpile Market Impact Committee, co-chaired by the Departments of Commerce and State, is seeking public comments on the potential market impact of the proposed Fiscal Year 2014 National Defense Stockpile Annual Materials Plan. The role of the Market Impact Committee is to advise the National Defense Stockpile Manager on the projected domestic and foreign economic effects of all acquisitions and disposals involving the stockpile and related material research and development projects. Public comments are an important element of the Committee's market impact review process.

DATES: To be considered, written comments must be received by [INSERT DATE 30 DAYS AFTER DATE OF PUBLICATION IN THE FEDERAL REGISTER].

ADDRESSES: Address all comments concerning this notice to Michael Vaccaro, U.S. Department of Commerce, Bureau of Industry and Security, Office of Strategic Industries and

Economic Security, 1401 Constitution Avenue, NW, Room 3876, Washington, DC 20230, fax: (202) 482-5650 (Attn: Michael Vaccaro), e-mail: MIC@bis.doc.gov; and Douglas Kramer, U.S. Department of State, Bureau of Energy Resources, Office of Europe, Western Hemisphere, and Africa, 2201 C Street NW, Washington, DC 20520, fax: (202) 647-4037 (Attn: Douglas Kramer), or e-mail: KramerDR@state.gov.

FOR FURTHER INFORMATION CONTACT: Liam McMenamin, Office of Strategic Industries and Economic Security, Bureau of Industry and Security, U.S. Department of Commerce, Telephone: (202) 482-2233.

SUPPLEMENTARY INFORMATION:

Background

Under the authority of the Strategic and Critical Materials Stock Piling Revision Act of 1979, as amended (the Stock Piling Act) (50 U.S.C. 98, et seq.), the Department of Defense's Defense Logistics Agency (DLA), as National Defense Stockpile Manager, maintains a stockpile of strategic and critical materials to supply the military, industrial, and essential civilian needs of the United States for national defense. Section 9(b)(2)(G)(ii) of the Stock Piling Act (50 U.S.C. 98(h)(b)(2)(G)(ii)) authorizes the National Defense Stockpile Manager to fund material research and development projects to develop new materials for the stockpile.

Section 3314 of the Fiscal Year (FY) 1993 National Defense Authorization Act (NDAA) (50 U.S.C. 98h-1) formally established a Market Impact Committee (the "Committee") to "advise the National Defense Stockpile Manager on the projected domestic and foreign economic effects of all acquisitions and disposals of materials from the stockpile" The

Committee must also balance market impact concerns with the statutory requirement to protect the U.S. Government against avoidable loss.

The Committee is comprised of representatives from the Departments of Commerce, State, Agriculture, Defense, Energy, Interior, the Treasury, and Homeland Security, and is co-chaired by the Departments of Commerce and State. The FY 1993 NDAA directs the Committee to consult with industry representatives that produce, process, or consume the materials stored in or of interest to the National Defense Stockpile Manager.

As the National Defense Stockpile Manager, the DLA must produce an Annual Materials Plan proposing the maximum quantity of each listed material that may be acquired, disposed of, upgraded, or sold by the DLA in a particular fiscal year. In Attachment 1, the DLA lists the quantities and type of activity (potential acquisition, potential disposal, potential upgrade, or material research and development project) associated with each material in its proposed FY 2014 Annual Materials Plan. The quantities listed in Attachment 1 are not acquisition, disposal, upgrade, or sales target quantities, but rather a statement of the proposed maximum quantity of each listed material that may be acquired, disposed of, upgraded, or sold in a particular fiscal year by the DLA as noted. The quantity of each material that will actually be acquired or offered for sale will depend on the market for the material at the time of the acquisition or offering, as well as on the quantity of each material approved for acquisition, disposal, or upgrade by Congress.

The DLA must also include two material research and development projects in its proposed Annual Materials Plans. The two material research projects in its 2014 Annual Materials Plan relate to DLA establishing vendor-owned buffer inventories in the United States

for cadmium zinc tellurium (CZT) substrates and triamino trinitrobenzene (TATB) up to the levels enumerated in Attachment 1. DLA is required to account for these two material research and development projects in its proposed FY 2014 Annual Materials Plan, because DLA will be using the Defense National Stockpile Transaction Fund to pay for the two material research and development projects.

In these material research and development projects, DLA would enter into arrangements with vendors to maintain inventories of the two materials with options that DLA could purchase material if needed. The quantities listed in Attachment 1 specific to the two material research and development projects are not acquisition target quantities, but rather a statement of the proposed maximum quantity of each listed material that may be associated with the two material research and development projects in FY 2014. The quantity of each material that will actually be associated with the two material research and development projects will depend on the market for the materials during the fiscal year as well as on the quantity of each material approved for these material research and development projects by Congress. The proposed FY 2014 Annual Materials Plan also includes the acquisition of these two materials, in addition to the material research and development projects.

The Committee is seeking public comments on the potential market impact associated with the proposed FY 2014 AMP as enumerated in Attachment 1. Public comments are an important element of the Committee's market impact review process.

Submission of Comments

The Committee requests that interested parties provide written comments, supporting

data and documentation, and any other relevant information on the potential market impact of the quantities associated with the proposed FY 2014 AMP. All comments must be submitted to the addresses indicated in this notice. All comments submitted through e-mail must include the phrase "Market Impact Committee Notice of Inquiry" in the subject line.

The Committee encourages interested persons who wish to comment to do so at the earliest possible time. The period for submission of comments will close on _____ [INSERT DATE 30 DAYS AFTER DATE OF PUBLICATION IN THE FEDERAL REGISTER]. The Committee will consider all comments received before the close of the comment period. Comments received after the end of the comment period will be considered, if possible, but their consideration cannot be assured.

All comments submitted in response to this notice will be made a matter of public record and will be available for public inspection and copying. Anyone submitting business confidential information should clearly identify the business confidential portion of the submission and also provide a non-confidential submission that can be placed in the public record. The Committee will seek to protect such information to the extent permitted by law.

The Office of Administration, Bureau of Industry and Security, U.S. Department of Commerce, displays public comments on the BIS Freedom of Information Act (FOIA) Web site at <http://www.bis.doc.gov/foia>. This office does not maintain a separate public inspection facility. If you have technical difficulties accessing this Web site, please call BIS's Office of Administration at (202) 482-1900 for assistance.

Dated: October 11, 2012_____

Kevin J. Wolf

Assistant Secretary for Export Administration

Attachment 1

PROPOSED FISCAL YEAR 2014 ANNUAL MATERIALS PLAN

Material	Unit	Quantity	Footnote
<i>Disposals/Upgrades</i>			
Beryllium Metal	ST	17.5	1/
Chromium, Ferro	ST	97,056	2/, 4/
Chromium, Metal	ST	500	2/
Manganese, Ferro	ST	100,000	2/
Manganese, Metallurgical Grade	SDT	100,000	2/
Talc	ST	1,000	2/, 3/
Tin	MT	804	1/
Tungsten Metal Powder	LB W	198,308	2/, 4/
Tungsten Ores and Concentrates	LB W	7,889,653	2/, 4/
<i>Acquisitions and Material Research and Development Projects</i>			
Cadmium Zinc Tellurium (CZT) substrates	cm ²	40,000	5/
Cadmium Zinc Tellurium (CZT) substrates	cm ²	24,000	6/
Lithium Cobalt Oxide (LCO)	Kg	750	6/
Lithium Nickel Cobalt Aluminum Oxide (NCA)	kg	540	6/
Mesocarbon Microbeads (MCMB)	kg	648	6/
Triamino-Trinitrobenzene (TATB)	LB	24,000	5/
Triamino-Trinitrobenzene (TATB)	LB	16,000	6/

1/ Potential Upgrade

2/ Potential Disposal

3/ Potential Disposal (landfill)

4/ Actual quantity will be limited to remaining inventory

5/ Potential Material Research and Development Project

6/ Potential Acquisition

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